

SPRINGFIELD BOARD OF EDUCATION

AUDITOR'S MANAGEMENT REPORT

COUNTY OF UNION

JUNE 30, 2024

**ROBERT A. HULSART & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
2807 HURLEY POND ROAD, SUITE 100
WALL, NEW JERSEY 07719**

AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS

FINANCIAL, COMPLIANCE AND PERFORMANCE

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Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

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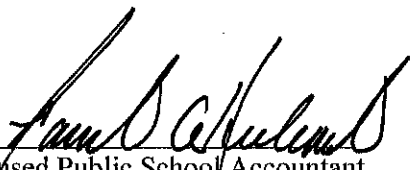
REPORT OF INDEPENDENT AUDITORS

Honorable President and Members
of the Board of Education
Springfield School District
County of Union, New Jersey

We have audited, in accordance with generally accepted audit standards and Government Auditing Standards issued by the comptroller General of the United States, the general purpose financial statements of the Board of Education of the Springfield School District in the County of Union for the year ended June 30, 2024, and have issued our report thereon dated January 10, 2025.

As part of our audit, we performed procedures required by the New Jersey Department of Education and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Springfield Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.



Licensed Public School Accountant
No. 322
ROBERT A. HULSART AND COMPANY

January 10, 2025

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20; Insurance Schedule contained in the district's ACFR.

Officials Bond

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Michelle Calas	Board Secretary/School Business Administrator	\$ 260,422.00
Manuel E. Vieira	Treasurer	285,000.00

There is a Public Employees' Faithful Performance Blanket Position Bond under the blanket policy covering all other employees with multiple coverage of \$250,000.00.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made a proper adjustment to the billings to sending districts for the increase/decrease in per pupil costs in accordance with *N.J.A.C. 6A:23-3.1(f)3*.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certifications, or supporting documentation.

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable. No exceptions were noted.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23-2.2(g)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-2.4*. As a result of the procedures performed, a transaction error rate of 0% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary disclosed no reportable conditions. The records were in good order.

Treasurer's Records

The Treasurer's records were in agreement with the records of the Board Secretary. All reconciliations were properly done.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to projects under Title I, Title IIA, Title III and Title IV of the E.S.E.A.

The study of compliance for E.S.E.A. indicated the following areas of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The district's Special Projects were approved as listed on Schedule A and Schedule B located in the ACFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for the special projects indicated no areas of noncompliance.

T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursement forms filed with Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal fund was made prior to the end of the 60 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with *N.J.S.A. 18A:18A-2* and *18A:18A-3(a)* are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A. 18A:39-3* is \$20,200 for 2023-24.

The District Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Based on the results of our examination, we did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A. 18A:18A-4*.

Resolutions were adopted authorizing the awarding of contracts or agreement for "Professional Services" per *N.J.S.A. 18A:18A-5*.

School Food Service Fund

The school food service program was not selected as a major federal and/or State Program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

The food services for 2023-24 were awarded to Pomptonian Food Service on their proposal of a management fee of a per meal administrative/management fee of \$0.2030 which will be multiplied by the total meals. The actual fee was \$58,776 for 2023-2024. The food service provider was in compliance with all statutes and regulations. The operating results provision has been met. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

As a result of the uncertainties during the public health emergency there is no guaranteed operating result for 2023-2024 school year.

The financial transactions and statistical records of the School Food Services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement vouchers were timely filed, and meals claimed agreed with meal count records.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days. The free and reduced price meal policy is uniformly administered throughout the School System. The required verification procedures for free and reduced price applications were completed and available for review.

Cash receipts and bank records were reviewed for timely deposits per state guidelines.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used

The cash disbursement records reflected expenditures for program related goods and services. The District deposited and expended program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceeded three months average expenditures.

U.S.D.A commodities were received and a separate inventory was maintained on a first-in, first-out basis.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G.

The 2023-24 operations produced a net loss of \$157,384.

GAAP Accounting Implementation

The school district's double entry system of accounting records were maintained in accordance with the Department of Education's prescribed GAAP Technical Systems Manual, pursuant to N.J.S.A. 18:A4-14 and N.J.A.C. 6:20-2A.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2023 Application for State School Aid (A.S.S.A) for on-roll, private schools for the handicapped, low-income, and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms or their equivalent.

The district written procedures appear to be adequate for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2023-24 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

Follow-Up on Prior Year Findings

None

Acknowledgment

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to the members of the audit team.

2% Calculation of Excess Surplus

2023-24 Total General Fund Expenditures Per the ACFR	\$ 52,580,511
Decreased by:	
On Behalf TPAF Pension and Social Security	<u>(9,243,962)</u>
Adjusted 2023-24 General Fund Expenditures	<u>\$ 43,336,549</u>
2% of Adjusted 2023-24 General Fund Expenditures	<u>\$ 866,731</u>
Enter Greater of Above or \$250,000	\$ 866,731
Increased by Allowable Adjustments	<u>719,475</u>
Maximum Unassigned Fund Balance	<u>\$ 1,586,206</u>

Section 2

Total General Fund – Fund Balance @ 6-30-24	\$ 20,787,921
Decreased by:	
Reserved for Encumbrances	(2,983,186)
Designated for Subsequent Years Expenditures – Capital Reserve	(2,880,000)
Designated for Subsequent Years Expenditures – Maintenance Reserve	(700,000)
Reserve for Unemployment	(52,407)
Designated for Subsequent Years Expenditures – Excess Surplus	(38,357)
Designated for Subsequent Years Expenditures BOE	(761,643)
Other Reserves	<u>(11,136,122)</u>
Total Unassigned Fund Balance	<u>\$ 2,236,206</u>
Reserved Fund Balance – Excess Surplus	<u>\$ 650,000</u>

Section 3

Reserved Fund Balance – Excess Surplus - Designated for	
Subsequent Expenditures	\$ 38,357
Excess Surplus	<u>650,000</u>
	<u>\$ 688,357</u>

Detail of Allowable Adjustments

Non-Public Transportation Aid	\$ 130,585
Extraordinary Aid	<u>588,890</u>
	<u>\$ 719,475</u>

Detail of Other Reserved Fund Balance

Capital Reserve	\$ 8,386,122
Maintenance Reserve	2,500,000
Emergency Reserve	<u>250,000</u>
	<u>\$ 11,136,122</u>

SPRINGFIELD SCHOOL DISTRICT

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2023

Page 1 of 3

	2024-25 Application for State School Aid						Sample for Verification						Private Schools for Handicapped			
	Reported On		Reported on		Errors		Sample Selected		Verified Per		Errors Per Registers		Reported On	Sample for Verification	Sample Verified	Sample Errors
	A.S.S.A. on Roll		Workpapers on Roll				from Workpapers		Registers on Roll		on Roll		A.S.S.A. as			
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Private Schools			
Full Day Preschool - 3yrs	1		1				1		1							
Full Day Preschool - 4yrs	92		92				92		92							
Full Day Kindergarten	137		137				137		137							
One	143		143				143		143							
Two	141		141				141		141							
Three	137		137				61		61							
Four	147		147				85		85							
Five	123		123				58		58							
Six	129		129				129		129							
Seven	147		147				147		147							
Eight	144		144				144		144							
Nine	130		130				130		130							
Ten	144	5	144	5			144	5	144	5						
Eleven	143	5	143	5			143	5	143	5						
Twelve	114	2	114	2			114	2	114	2						
Subtotal	1872	12	1872	12	0	0	1669	12	1669	12	0	0	0	0	0	0
Special Ed. - Elementary	130		130				98		98				10	10	10	
Special Ed. - Middle School	72		72				72		72				8	8	8	
Special Ed. - High School	97	11	97	11			97	11	97	11			22	22	22	
Subtotal	299	11	299	11	0	0	267	11	267	11	0	0	40	40	40	0
Co. Voc. - Regular																
Co. Voc. - Ft. Post Sec.																
Totals	2171	23	2171	23	0	0	1936	23	1936	23	0	0	40	40	40	0
Percentage Error					0%	0%					0%	0%				0%

SPRINGFIELD SCHOOL DISTRICT

Sheet 2 of 3

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2023

	<u>Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Not Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as Low Income</u>	<u>Reported on Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>	<u>Reported on A.S.S.A. as LEP</u>	<u>Reported on Workpapers as LEP</u>	<u>Errors</u>	<u>Sample Selected From Workpapers</u>	<u>Verified to Test Score & Register</u>	<u>Sample Errors</u>
Full Day Preschool 4yrs	10	10		5	5							
Full Day Kindergarten	7	7		3	3		1	1		1	1	
One	11	11		6	6		4	4		4	4	
Two	8	8		2	2		5	5		5	5	
Three	13	13		8	8		3	3		3	3	
Four	14	14		9	9		2	2		2	2	
Five	12	12		7	7		4	4		4	4	
Six	19	19		10	10		2	2		2	2	
Seven	25	25		12	12							
Eight	20	20		14	14		4	4		4	4	
Nine	19	19		13	13		1	1		1	1	
Ten	15.5	15.5		10	10		1	1		1	1	
Eleven	12.5	12.5		6	6		2	2		2	2	
Twelve	11	11		7	7							
Subtotal	197	197	0	112	112	0	29	29	0	29	29	0
Special Ed. - Elementary	23	23		11	11		1	1		1	1	
Special Ed. - Middle School	13	13		5	5							
Special Ed. - High School	19.5	19.5		4	4		1.5	1.5		1.5	1.5	
Subtotal	55.5	55.5	0	20	20	0	2.5	2.5	0	2.5	2.5	0
Totals	252.5	252.5	0	132	132	0	31.5	31.5	0	31.5	31.5	0
Percentage Error			0%			0%			0%			0%

TRANSPORTATION

	<u>Reported on DRTRS by DOE</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>		<u>Reported</u>	<u>Recalculated</u>
Reg. - Public Schools	274	274		143	143		Avg. Mileage - Regular Including Grade PK Students	6.4	6.4
Transported - Non-Public	0	0		0	0		Avg. Mileage - Regular Excluding Grade PK Students	6.4	6.4
Special Ed. - Regular	25	25		25	25		Avg. Mileage - Special Ed. With Special Needs	7.3	7.3
Special Needs - Public & Private	81	81		62	62				
Totals	380	380	0	230	230	0			
Percentage Error						0%			

SPRINGFIELD SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2023

Sheet 3 of 3

	<u>Resident LEP - Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as LEP</u>	<u>Reported on Workpapers as LEP</u>	<u>Errors</u>	<u>Sample Selected From Workpapers</u>	<u>Verified to Test Score & Register</u>	<u>Sample Errors</u>
Half Day Preschool						
Full Day Kindergarten						
One	1	1		1	1	
Two	1	1		1	1	
Three	6	6		6	6	
Four	3	3		3	3	
Five	1	1		1	1	
Six	1	1		1	1	
Seven	4	4		4	4	
Eight						
Nine	2	2		2	2	
Ten	2	2		2	2	
Eleven	1	1		1	1	
Twelve	2	2		2	2	
Subtotal	<u>24</u>	<u>24</u>	<u>0</u>	<u>24</u>	<u>24</u>	<u>0</u>
Special Ed. - Elementary	1	1		1	1	
Special Ed. - Middle School	1	1		1	1	
Special Ed. - High School	<u>0.5</u>	<u>0.5</u>		<u>0.5</u>	<u>0.5</u>	
Subtotal	<u>2.5</u>	<u>2.5</u>	<u>0</u>	<u>2.5</u>	<u>2.5</u>	<u>0</u>
Totals	<u>26.5</u>	<u>26.5</u>	<u>0</u>	<u>26.5</u>	<u>26.5</u>	<u>0</u>
			<u>0%</u>			<u>0%</u>

SCHEDULE OF MEAL COUNT ACTIVITY**SPRINGFIELD SCHOOL DISTRICT****FOOD SERVICE FUND****NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - FEDERAL****ENTERPRISE FUND****FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
National School Lunch (Regular Rate)*	Paid	127,480	49,757	49,757	-	\$ 0.460	-
	Reduced	10,587	4,493	4,493	-	3.920	-
	Free	22,713	8,935	8,935	-	4.320	-
Total Net Overclaim		160,780	63,185	63,185	-		-
Breakfast Program (Regular)	Paid	7,303	3,484	3,484	-	\$ 0.380	-
	Reduced	2,007	880	880	-	1.980	-
	Free	4,353	1,920	1,920	-	2.280	-
Total Net Overclaim		13,663	6,284	6,284	-		-
National School Lunch (NJEIE)	NJEIE	183	183	183	-	\$ 3.850	-
Breakfast Program (NJEIE)	NJEIE	9	9	9	-	1.900	-
Total Net Overclaim		192	192	192	-		-

* - \$.08 for Federal HHFKA Lunch - Healthy Hunger-Free Kids Act

SPRINGFIELD SCHOOL DISTRICT**NET CASH RESOURCE SCHEDULE****NET CASH RESOURCES DID NOT EXCEED 3 MONTHS OF EXPENDITURES****PROPRIETARY FUNDS - FOOD SERVICE****FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Net Cash Resources:</u>		<u>Food Service</u> <u>G - 1/2</u>	
ACFR	Current Assets		
G-1	Cash & Cash Equivalents	\$	241,522
G-1	Accounts Receivables		41,134
		Current Liabilities	
G-1	Less Accounts Payable		(3,372)
Net Cash Resources		\$	279,284 (A)
<u>Net Adjustment Total Operating Expense:</u>			
G-2	Total Operating Expenses		1,373,723
G-2	Less Depreciation		(26,394)
Adjusted Total Operating Expenses			1,347,329 (B)
<u>Average Monthly Operating Expense:</u>			
B / 10		\$	134,733 (C)
<u>Three Times Monthly Average</u>			
3 X C		\$	404,199 (D)
Total in (A)		\$	279,284
Less Total in (D)			(404,199)
Net		\$	(124,915)

SPRINGFIELD SCHOOL DISTRICT
AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

None